



# Iowa Department of Human Services

Kim Reynolds  
Governor

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Lt. Governor

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Director

## INFORMATIONAL LETTER NO.1858-MC-FFS

**DATE:** November 21, 2017

**TO:** Iowa Medicaid Intermediate Care Nursing Facilities and Skilled Nursing Facilities

**APPLIES TO:** Managed Care (MC), Fee-for-Service (FFS)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Outpatient Rehabilitation Services Provided by a Nursing Facility (NF)

**EFFECTIVE:** February 1, 2018

Effective with dates of service beginning February 1, 2018, NFs billing for rehabilitation services (physical, speech and occupational therapy) to non-residents will be paid on the [fee schedule](#)<sup>1</sup> for rehabilitation agency services. Currently, payment methodology is 96 percent of billed charges. This change applies to payments made by the IME for Medicaid FFS and for payments made by the Managed Care Organizations (MCOs) under the Iowa Healthlink program.

Claims should continue to be submitted using the UB04 claim form. However, in addition to a revenue code, the claim must include the appropriate Healthcare Common Procedure Coding System (HCPCS) code and any modifiers. Please refer to the [Rehabilitation Agency Provider Manual](#)<sup>2</sup> and the [UB04 claim form instructions](#)<sup>3</sup> for specifics concerning billings.

NFs that are new to Iowa Medicaid and providing outpatient rehabilitation services will need to enroll as a rehabilitation agency. NFs currently enrolled to provide therapy services to non-residents will be automatically enrolled as a rehabilitation agency. NFs providing outpatient rehabilitation services must maintain necessary licensure and certification and other requirements as set up in the administrative rules. In addition, all therapists providing outpatient rehabilitation services in a NF must be licensed according to state regulations.

If you have questions, please contact the IME Provider Services Unit at 1-800-338- 7909, Monday- Friday, from 7:30 a.m. to 4:30 p.m., or by email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).

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<sup>1</sup> <https://secureapp.dhs.state.ia.us/MedicaidFeeSched/X19.xml>

<sup>2</sup> <http://dhs.iowa.gov/sites/default/files/Rehab.pdf>

<sup>3</sup> [https://dhs.iowa.gov/sites/default/files/UB-04\\_Claim\\_Form\\_Instructions.pdf](https://dhs.iowa.gov/sites/default/files/UB-04_Claim_Form_Instructions.pdf)